

SUBCHAPTER B—FEDERAL OPEN MARKET COMMITTEE

PART 270—OPEN MARKET OPERATIONS OF FEDERAL RESERVE BANKS

REGULATIONS RELATING TO OPEN MARKET OPERATIONS OF FEDERAL RESERVE BANKS

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AUTHORITY: Sec. 8, 48 Stat. 168, as amended (12 U.S.C. 263).

SOURCE: 38 FR 2753, Jan. 30, 1973, unless otherwise noted.

REGULATIONS RELATING TO OPEN MARKET OPERATIONS OF FEDERAL RESERVE BANKS

§ 270.1 Authority.

This part is issued by the Federal Open Market Committee (the “Committee”) pursuant to authority conferred upon it by sections 12A and 14 of the Federal Reserve Act (12 U.S.C. 263, 355).

§ 270.2 Definitions.

(a) The term *obligations* means Government securities, U.S. agency securities, bankers’ acceptances, bills of exchange, cable transfers, bonds, notes, warrants, debentures, and other obligations that Federal Reserve banks are authorized by law to purchase and sell.

(b) The term *Government securities* means direct obligations of the United States (i.e., U.S. bonds, notes, certificates of indebtedness, and Treasury bills) and obligations fully guaranteed as to principal and interest by the United States.

(c) The term *U.S. agency securities* means obligations that are direct obligations of, or are fully guaranteed as to principal and interest by, any agency of the United States.

(d) The term *System Open Market Account* means the obligations acquired pursuant to authorizations and directives issued by the Committee and held on behalf of all Federal Reserve banks.

§ 270.3 Governing principles.

As required by section 12A of the Federal Reserve Act, the time, character, and volume of all purchases and sales of obligations in the open market by Federal Reserve banks are governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country.

§ 270.4 Transactions in obligations.

(a) Each Federal Reserve bank shall engage in open market operations under section 14 of the Federal Reserve Act only in accordance with this part and with the authorizations and directives issued by the Committee from time to time, and no Reserve bank shall decline to engage in open market operations as directed by the Committee.

(b) Transactions for the System Open Market Account shall be executed by a Federal Reserve bank selected by the Committee. The participations of the several Federal Reserve banks in such account and in the profits and losses on transactions for the account shall be allocated in accordance with principles determined by the Committee from time to time.

(c) In accordance with such limitations, terms, and conditions as are prescribed by law and in authorizations and directives issued by the Committee, the Reserve bank selected by the Committee is authorized and directed—

(1) To buy and sell Government securities and U.S. agency securities in the open market for the System Open Market Account, and to exchange maturing securities with the issuer;

(2) To buy and sell banker’s acceptances in the open market for its own account;

(3) To buy Government securities, U.S. agency securities, and banker’s acceptances of the kinds described above, under agreements for repurchase of such obligations, in the open market for its own account; and

(4) To buy and sell foreign currencies in the form of cable transfers in the

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open market for the System Open Market Account and to maintain for such account reciprocal currency arrangements with foreign banks among those designated by the Board of Governors of the Federal Reserve System under § 214.5 of this chapter (Regulation N).

(d) The Federal Reserve banks are authorized and directed to engage in such other operations as the Committee may from time to time determine to be reasonably necessary to the effective conduct of open market operations and the effectuation of open market policies.

[38 FR 2753, Jan. 30, 1973, as amended at 39 FR 11873, Apr. 1, 1974; 48 FR 32336, July 15, 1983]

PART 271—RULES REGARDING AVAILABILITY OF INFORMATION

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APPENDIX A TO PART 271—FREEDOM OF INFORMATION FEE SCHEDULE

AUTHORITY: 12 U.S.C. 263; 5 U.S.C. 552.

§ 271.1 Authority.

This part is issued by the Federal Open Market Committee (the "Committee") pursuant to the requirement of section 552 of title 5 of the United States Code that every agency shall publish in the FEDERAL REGISTER for the guidance of the public descriptions of the established places at which, the officers from whom, and the methods whereby, the public may obtain information, make submittals or requests, or obtain decisions, and the requirement that agencies promulgate, pursuant to notice and receipt of public comment, the fees applicable to those requests for information, and also pursuant to the Committee's authority under section 12A of the Federal Reserve Act, 12 U.S.C. 263, to issue regula-

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tions governing the conduct of its business.

[56 FR 23994, May 28, 1991]

§ 271.2 Definitions.

(a) *Information of the Committee.* For purposes of this part, the term *information of the Committee* means all information coming into the possession of the Committee or of any member thereof or of any officer, employee, or agent of the Committee, the Board, or any Federal Reserve bank, in the performance of duties for, or pursuant to the direction of, the Committee.

(b) *Records of the Committee.* (1) For purposes of requests submitted pursuant to the Freedom of Information Act (5 U.S.C. 552), the term *records of the Committee* includes rules, statements, opinions, orders, memoranda, letters, reports, accounts, and other written material, as well as magnetic tapes, computer printouts of information obtained through use of existing computer programs, charts, and other materials in machine readable form that constitute a part of the Committee's official files.

(c) *Board and Federal Reserve bank.* For the purposes of this part, *Board* means the Board of Governors of the Federal Reserve System established by the Federal Reserve Act of 1913 (38 Stat. 251), and *Federal Reserve bank* means one of the district banks authorized by that same Act, 12 U.S.C. 222, including any branch of any such bank.

(d) *Search.* (1) For the purposes of this part, *search* means a reasonable search of the Committee's files and any other files containing records of the Committee as seems reasonably likely in the particular circumstances to contain documents of the kind requested. Searches may be done manually or by computer using existing programming. For purposes of computing fees under § 271.8 of this regulation, search time includes all time spent looking for material that is responsive to a request, including line-by-line identification of material within documents. Such activity is distinct from *review* of material to determine whether the material is exempt from disclosure.

[32 FR 9518, July 1, 1967, as amended at 38 FR 2754, Jan. 30, 1973; 56 FR 23994, May 28, 1991]